Hearing Date and Time: December 1, 2016 at 10:00 a.m. (Eastern Time) Response Deadline: November 14, 2016 at 4:00 p.m. (Eastern Time)

UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

Chapter 11 In re

Gawker Media LLC, et al., 1

Case No. 16-11700 (SMB)

(Jointly Administered) Debtors.

OBJECTION OF CERTAIN FORMER AND CURRENT WRITERS, EMPLOYEES AND INDEPENDENT CONTACTORS TO DEBTORS' FIRST OMNIBUS OBJECTION TO CLAIMS (NO LIABILITY GAWKER HUNGARY KFT (F/K/A KINJA KFT) INDEMNIFICATION CLAIMS)

Certain former and current writers, employees and/or independent contractors (the "Writers") of the above-captioned debtors and debtors-in-possession (the "Debtors"), by and through their counsel, submit this objection and reservation of rights (the "Objection") to the Debtors' First Omnibus Objection to Claims (No Liability Gawker Hungary KFT (f/k/a Kinja KFT) Indemnification Claims) (the "Claims Motion") [Docket Entry 394]. In support of this Objection, the Writers respectfully state as follows:

RELEVANT BACKGROUND

1. On June 10, 2016, Debtor Gawker Media LLC, filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. On June 12, 2016, Debtors Gawker Media Group, Inc. and Kinja Kft. each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

The last four digits of the taxpayer identification number of the debtors are: Gawker Media LLC (0492); Gawker Media Group, Inc. (3231); and Kinja Kft. (5056). Gawker Media LLC and Gawker Media Group, Inc.'s mailing addresses are c/o Opportune LLP, Attn: William D. Holden, Chief Restructuring Officer, 10 East 53rd Street, 33rd Floor, New York, NY 10020. Kinja Kft.'s mailing address is c/o Opportune LLP, Attn: William D. Holden, 10 East 53rd Street, 33rd Floor, New York, NY 10020.

- 2. The chapter 11 cases of the Debtors are jointly administered and are consolidated for procedural purposes.
- 3. Each of the Writers filed a proof of claim against each of the Debtors prior to the September 29, 2016 claims deadline. Further, on October 5, 2016, counsel for the Writers filed its *Verified Statement Pursuant to Bankruptcy Rule 2019* (the "Writers' 2019 Statement") [Docket Entry 321].
- 4. The Writers consist of all the individuals listed on **Exhibit A** to the Writers' 2019 Statement.
 - 5. On October 31, 2016, the Debtors filed the Claims Motion.

A. The Claims Motion

- 6. Through the Claims Motion, Debtor Gawker Hungary Kft. (f/k/a Kinja Kft.) ("Gawker Hungary") seeks to disallow the Writers' indemnification claims filed against Gawker Hungary.
- 7. In support of the Claims Motion, Gawker Hungary states that as the Writers were not employees of Gawker Hungary, the Writers do not have valid indemnification claims against Gawker Hungary.

B. The Debtors' Proposed Plan

- 8. On November 8, 2016, the Debtors filed an Amended Chapter 11 Plan of Liquidation (the "Plan") [Docket Entry 427].
- 9. Through the Plan, the Debtors seek approval of certain releases in favor of the Writers; however, two important events must occur prior to the releases becoming effective. First, each Writer must vote in favor of the Plan for the release to extend to the affirmative voting Writer, and second, this Court must confirm the Plan.

- 10. In exchange for the releases and upon confirmation of the Plan, the Writers' indemnification claims against the Debtors, including their claims against Gawker Hungary, will be resolved.
- 11. The hearing to confirm the Plan is scheduled for December 13, 2016 at 10:00 a.m. [Docket Entry 413].

OBJECTION

- 12. The Writers submit that the Claims Motion is premature. As noted above, through the Plan, the Debtors have already proposed a mechanism to address each of the Writers' claims.
- 13. As the Plan proposes a global resolution of the Writers' claim, including the Gawker Hungary claims, it is respectfully submitted that any hearing on the Claims Motion should occur at some time after the December 13, 2016 confirmation hearing on the Plan.
- 14. In the event this Court is inclined to proceed with the Claims Motion and the Claims Motion is granted, any order approving the Claims Motion should explicitly state the Writers' indemnification claims against Debtors Gawker Media LLC and Gawker Media Group, Inc. are preserved and in no way impacted by the Claims Motions and/or any order approving same.

RESERVATION OF RIGHTS

15. The Writers reserve the right to amend or supplement this Objection, based upon any facts or arguments that come to light prior to the hearing on the Claims Motion.

WHEREFORE, the Writers respectfully request that the Court: (i) sustain this Objection; (ii) adjourn any hearing on the Claims Motion to a date after the December 13, 2016

confirmation hearing on the Plan; and (iii) grant such other and further relief as is just and proper under the circumstances.

Dated: November 14, 2016 SAUL EWING LLP

By: <u>/s/Sharon L. Levine</u>

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